

**Operator's and/or Borrower's  
Notification to HUD of  
Threats to Permits and  
Approvals  
Section 232**

**U.S. Department of Housing  
and Urban Development**  
Office of Residential  
Care Facilities

OMB Approval No. 2502-0605  
(exp. 03/31/2018)

**Public reporting** burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing, and reporting the data. The information is being collected to obtain the supportive documentation that must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

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**Section 232 – Threats to Permits and Approvals**

All Operators are required by 24 CFR Section 232.1015 to provide prompt notification to HUD and the Lender/Service of circumstances placing the value of security at risk (e.g., threats to any Permits and Approvals), as fully delineated in that CFR provision. Although that provision applies to Operators of any Section 232 facility (regardless of which regulatory agreement the Operator has executed), the requirement is further set forth in the Borrower Regulatory Agreement (92466A-ORCF) published March 14, 2013.

To assist Operators and/or Borrowers in providing timely and appropriate notification consistent with their obligations (i.e., electronic submission within the two-business day time limitation), HUD is providing this document. The Operator and/or Borrower is/are to use this particular form when complying with its regulatory obligation, attaching additional information as necessary, and emailing it to the Lender.

As used herein and in controlling documents, “Permits and Approvals” means and includes all certificates of need, bed authority, provider agreements, licenses, permits, and approvals reasonably necessary to operate the healthcare facility or to fund the operation of the Project for the approved use.

For additional information, please refer to the *Section 232 Handbook, Section III, Asset Management, Chapter 3.10.5 State Inspections*.

<b>LOAN INFORMATION</b>	
<b>Servicer Name:</b>	
<b>Servicer Contact:</b>	<b>Phone no.:</b>
<b>Borrower Name:</b>	
<b>Operator Name:</b>	
<b>Property Name:</b>	
<b>Property Address:</b>	
<b>Project FHA Number:</b>	
<b>IMPORTANT - Date lender/servicer notified of threat:</b>	

**Key Questions**

	<b>Yes</b>	<b>No</b>
1. Is the Operator (or any principal, officer, director, or employee of the Operator), the Management Agent, the Project, or any portion of the Project in violation of or in default under permits, approvals, or any governmental requirements applicable to the operation of the healthcare facility or in jeopardy of violation or default?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are any of the permits and approvals to be terminated, limited in any way, or not renewed?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is any civil money penalty being imposed with respect to the healthcare facility?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the Operator (or any principal, officer, director, or employee of Operator), any Management Agent, the Project, or any portion of the Project subject to any governmental investigation or inquiry involving fraud?	<input type="checkbox"/>	<input type="checkbox"/>
5. Do current Licensed Facility survey results involve a rating higher/more severe than a "G" level or its equivalent?	<input type="checkbox"/>	<input type="checkbox"/>
6. Do current Licensed Facility survey results involve a rating less severe than a "G" level that is either (a) unresolved from the two most recent consecutive prior surveys, or (b) is a repeat violation having the same citation number?	<input type="checkbox"/>	<input type="checkbox"/>
7. Has HUD or the Servicer requested any financial or operational reports, or other information relating to the performance of the Project, including without limitation any Medicare or Medicaid cost reports, due to potential risk to the Permits or Approvals?	<input type="checkbox"/>	<input type="checkbox"/>
8. Have funding or admissions suspensions been imposed?	<input type="checkbox"/>	<input type="checkbox"/>
9. Is there a circumstance not addressed above that would place the financial viability of the facility at substantial and imminent risk?	<input type="checkbox"/>	<input type="checkbox"/>

<<For each "yes" answer above, provide a narrative discussion regarding the topic. As applicable, discuss the issue and its effect on the healthcare facility (e.g., the date of the

*occurrence; the amounts of any penalties imposed; descriptions of provider agreements, licenses or permits in jeopardy; details of an Notice of Imposition, Denial of Payment, Termination Notice, State/CMS imposed oversight and/or plan, etc.) Describe any potential risks, mitigants, and plans to remedy, including potential financial impacts to the facility and how they will be addressed. If the matter involves a citation, describe the conduct cited, number of citations received, the scope and duration of the remedy(ies) imposed, and the timelines for corrective action. Unless otherwise directed by HUD or the Servicer, the next communication from the Operator may be notification that the citation(s) have been cleared by the issuing regulatory agency (e.g., Plan of Correction from the state/CMS). If compliance is not achieved upon the first revisit, additional HUD/Servicer monitoring may be required. Unless requested by HUD or the Servicer, do not attach surveys or responses. >>*

**Circumstances that May Require Additional Information**

In addition to the information required in this narrative, HUD may require additional information from the Operator and/or Borrower to accurately determine the strengths and weaknesses of the project.

**Signatures**

The Operator and/or Lender hereby certifies that the statements and representations of fact contained in this instrument and all documents submitted and executed by the Operator and/or Lender in connection with this submission, to the best of Operator’s and/or Lender’s knowledge, true, accurate, and complete. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD and may be relied upon by HUD as a true statement of the facts contained therein.

Operator and/or Borrower: \_\_\_\_\_

This report was prepared by:                      Date                      This report was reviewed by:                      Date

_____	_____	_____	_____
<<Name>>		<<Name>>	
<<Title>>		<<Title>>	
<<Phone>>		<<Phone>>	
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